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CHAMBER ACTION

1 The Economic Development, Trade & Banking Committee recommends
2 the following:

3
4 **Council/Committee Substitute**

5 Remove the entire bill and insert:

6 A bill to be entitled

7 An act relating to economic development incentives;
8 amending s. 212.20, F.S.; providing for distribution of a
9 portion of revenues from the tax on sales, use, and other
10 transactions to specified units of local government owning
11 eligible convention centers; providing limitations;
12 requiring the Department of Revenue to prescribe certain
13 forms; specifying uses of certain distributions; providing
14 for future repeal; creating s. 288.1171, F.S.; providing
15 for certification of units of local government owning
16 eligible convention centers by the Office of Tourism,
17 Trade, and Economic Development; requiring the office to
18 adopt specified rules; providing a definition; providing
19 requirements for certification; providing for use of
20 proceeds distributed to units of local government under
21 the act; providing for audits by the Department of
22 Revenue; providing for revocation of certification;
23 providing for future repeal; providing an effective date.

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Be It Enacted by the Legislature of the State of Florida:

Section 1. Paragraph (d) of subsection (6) of section 212.20, Florida Statutes, is amended to read:

212.20 Funds collected, disposition; additional powers of department; operational expense; refund of taxes adjudicated unconstitutionally collected.--

(6) Distribution of all proceeds under this chapter and s. 202.18(1)(b) and (2)(b) shall be as follows:

(d) The proceeds of all other taxes and fees imposed pursuant to this chapter or remitted pursuant to s. 202.18(1)(b) and (2)(b) shall be distributed as follows:

1. In any fiscal year, the greater of \$500 million, minus an amount equal to 4.6 percent of the proceeds of the taxes collected pursuant to chapter 201, or 5 percent of all other taxes and fees imposed pursuant to this chapter or remitted pursuant to s. 202.18(1)(b) and (2)(b) shall be deposited in monthly installments into the General Revenue Fund.

2. Two-tenths of one percent shall be transferred to the Ecosystem Management and Restoration Trust Fund to be used for water quality improvement and water restoration projects.

3. After the distribution under subparagraphs 1. and 2., 8.814 percent of the amount remitted by a sales tax dealer located within a participating county pursuant to s. 218.61 shall be transferred into the Local Government Half-cent Sales Tax Clearing Trust Fund. Beginning July 1, 2003, the amount to be transferred pursuant to this subparagraph to the Local

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52 Government Half-cent Sales Tax Clearing Trust Fund shall be
53 reduced by 0.1 percent, and the department shall distribute this
54 amount to the Public Employees Relations Commission Trust Fund
55 less \$5,000 each month, which shall be added to the amount
56 calculated in subparagraph 4. and distributed accordingly.

57 4. After the distribution under subparagraphs 1., 2., and
58 3., 0.095 percent shall be transferred to the Local Government
59 Half-cent Sales Tax Clearing Trust Fund and distributed pursuant
60 to s. 218.65.

61 5. After the distributions under subparagraphs 1., 2., 3.,
62 and 4., 2.0440 percent of the available proceeds pursuant to
63 this paragraph shall be transferred monthly to the Revenue
64 Sharing Trust Fund for Counties pursuant to s. 218.215.

65 6. After the distributions under subparagraphs 1., 2., 3.,
66 and 4., 1.3409 percent of the available proceeds pursuant to
67 this paragraph shall be transferred monthly to the Revenue
68 Sharing Trust Fund for Municipalities pursuant to s. 218.215. If
69 the total revenue to be distributed pursuant to this
70 subparagraph is at least as great as the amount due from the
71 Revenue Sharing Trust Fund for Municipalities and the former
72 Municipal Financial Assistance Trust Fund in state fiscal year
73 1999-2000, no municipality shall receive less than the amount
74 due from the Revenue Sharing Trust Fund for Municipalities and
75 the former Municipal Financial Assistance Trust Fund in state
76 fiscal year 1999-2000. If the total proceeds to be distributed
77 are less than the amount received in combination from the
78 Revenue Sharing Trust Fund for Municipalities and the former
79 Municipal Financial Assistance Trust Fund in state fiscal year

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1999-2000, each municipality shall receive an amount proportionate to the amount it was due in state fiscal year 1999-2000.

7. Of the remaining proceeds:

a. In each fiscal year, the sum of \$29,915,500 shall be divided into as many equal parts as there are counties in the state, and one part shall be distributed to each county. The distribution among the several counties shall begin each fiscal year on or before January 5th and shall continue monthly for a total of 4 months. If a local or special law required that any moneys accruing to a county in fiscal year 1999-2000 under the then-existing provisions of s. 550.135 be paid directly to the district school board, special district, or a municipal government, such payment shall continue until such time that the local or special law is amended or repealed. The state covenants with holders of bonds or other instruments of indebtedness issued by local governments, special districts, or district school boards prior to July 1, 2000, that it is not the intent of this subparagraph to adversely affect the rights of those holders or relieve local governments, special districts, or district school boards of the duty to meet their obligations as a result of previous pledges or assignments or trusts entered into which obligated funds received from the distribution to county governments under then-existing s. 550.135. This distribution specifically is in lieu of funds distributed under s. 550.135 prior to July 1, 2000.

b. The department shall distribute \$166,667 monthly pursuant to s. 288.1162 to each applicant that has been

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certified as a "facility for a new professional sports franchise" or a "facility for a retained professional sports franchise" pursuant to s. 288.1162. Up to \$41,667 shall be distributed monthly by the department to each applicant that has been certified as a "facility for a retained spring training franchise" pursuant to s. 288.1162; however, not more than \$208,335 may be distributed monthly in the aggregate to all certified facilities for a retained spring training franchise. Distributions shall begin 60 days following such certification and shall continue for not more than 30 years. Nothing contained in this paragraph shall be construed to allow an applicant certified pursuant to s. 288.1162 to receive more in distributions than actually expended by the applicant for the public purposes provided for in s. 288.1162(6). However, a certified applicant is entitled to receive distributions up to the maximum amount allowable and undistributed under this section for additional renovations and improvements to the facility for the franchise without additional certification.

c. Beginning 30 days after notice by the Office of Tourism, Trade, and Economic Development to the Department of Revenue that an applicant has been certified as the professional golf hall of fame pursuant to s. 288.1168 and is open to the public, \$166,667 shall be distributed monthly, for up to 300 months, to the applicant.

d. Beginning 30 days after notice by the Office of Tourism, Trade, and Economic Development to the Department of Revenue that the applicant has been certified as the International Game Fish Association World Center facility

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136 pursuant to s. 288.1169, and the facility is open to the public,
137 \$83,333 shall be distributed monthly, for up to 168 months, to
138 the applicant. This distribution is subject to reduction
139 pursuant to s. 288.1169. A lump sum payment of \$999,996 shall be
140 made, after certification and before July 1, 2000.

141 e. The department shall distribute monthly to units of
142 local government that have been certified as owning eligible
143 convention centers pursuant to s. 288.1171 an amount equal to 50
144 percent of the proceeds, as defined in paragraph (5)(a),
145 received and collected in the previous month by the department
146 under the provisions of this chapter which are generated by such
147 eligible convention centers and remitted on the sales and use
148 tax returns of eligible convention centers. Proceeds, for this
149 sub-subparagraph, are limited to all applicable sales taxes
150 collected by an eligible convention center for standard services
151 provided by center staff to users of the center, which include
152 the following: parking, admission, and ticket sales, food
153 services, utilities services, space rentals, equipment rentals,
154 security services, decorating services, business services,
155 advertising services, communications services, exhibit supply
156 sales and rentals, locksmith services, and sales of gifts and
157 sundries. The total distribution to each unit of local
158 government shall not exceed \$1 million per state fiscal year.
159 However, total distributions to all units of local government
160 shall not exceed \$5 million per state fiscal year, and such
161 distribution shall be limited exclusively to the taxes collected
162 and remitted under the provisions of this chapter. If
163 collections and remittances of eligible convention centers

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exceed the \$5 million maximum amount authorized for
distribution, the department shall distribute proceeds to each
eligible unit of local government using an apportionment factor,
the numerator of which is the amount remitted by an eligible
convention center and the denominator is the total amount
remitted by all eligible convention centers. The apportionment
factor for each eligible convention center shall be applied to
the \$5 million maximum amount authorized for distribution to
determine the amount that shall be distributed to each local
government unit. The department shall prescribe forms required
to be filed with the department by eligible convention centers.
Distributions shall begin 60 days following notification of
certification by the Office of Tourism, Trade, and Economic
Development pursuant to s. 288.1171. Distributions shall be used
solely to encourage and provide economic development for the
attraction, recruitment, and retention of corporate headquarters
and of high-technology, manufacturing, research and development,
entertainment, and tourism industries as designated by the unit
of local government by resolution of its governing body, and to
assist the eligible convention centers to attract more business
and expand their offerings, including developing their own
events and shows. This sub-subparagraph is repealed effective
June 30, 2008.

8. All other proceeds shall remain with the General
Revenue Fund.

Section 2. Section 288.1171, Florida Statutes, is created
to read:

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288.1171 Convention centers owned by units of local government; certification as owning eligible convention centers; duties.--

(1) The Office of Tourism, Trade, and Economic Development shall serve as the state agency for screening applicants for state funding pursuant to s. 212.20(6)(d)7.e. and for certifying an applicant as owning an eligible convention center.

(2) The Office of Tourism, Trade, and Economic Development shall adopt rules pursuant to ss. 120.536(1) and 120.54 for the receipt and processing of applications for funding pursuant to s. 212.20(6)(d)7.e.

(3) As used in this section, the term "eligible convention center" means a publicly owned facility having exhibition space in excess of 60,000 square feet, the primary function of which is to host meetings, conventions, or trade shows.

(4) Prior to certifying an applicant as owning an eligible convention center, the Office of Tourism, Trade, and Economic Development must determine that:

(a) The unit of local government, as defined in s. 218.369, owns an eligible convention center.

(b) The convention center contains more than 60,000 square feet of exhibit space.

(c) The unit of local government in which the convention center is located has certified by resolution after a public hearing that the application serves a public purpose pursuant to subsection (7).

(d) The convention center is located in a county that is levying a tourist development tax pursuant to s. 125.0104.

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219 (5) Upon certification of an applicant, the Office of
220 Tourism, Trade, and Economic Development shall notify the
221 executive director of the Department of Revenue of such
222 certification by means of an official letter granting
223 certification. The Department of Revenue shall not begin
224 distributing proceeds until 60 days following notice by the
225 Office of Tourism, Trade, and Economic Development that a unit
226 of local government has been certified as owning an eligible
227 convention center.

228 (6) No applicant previously certified under any provision
229 of this section who has received proceeds under such
230 certification shall be eligible for an additional certification.

231 (7) A unit of local government certified as owning an
232 eligible convention center may use proceeds provided pursuant to
233 s. 212.20(6)(d)7.e. solely to encourage and provide economic
234 development for the attraction, recruitment, and retention of
235 corporate headquarters and of high-technology, manufacturing,
236 research and development, entertainment, and tourism industries
237 as designated by the unit of local government by resolution of
238 its governing body, and to assist the eligible convention
239 centers to attract more business and expand their offerings,
240 including developing their own events and shows.

241 (8) The Department of Revenue may audit as provided in s.
242 213.34 to verify that the distributions pursuant to this section
243 have been expended as required in this section. Such information
244 is subject to the confidentiality requirements of chapter 213.
245 If the Department of Revenue determines that the distributions
246 have not been expended as required by this section, it may

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247 pursue recovery of such proceeds pursuant to the laws and rules
248 governing the assessment of taxes.

249 (9) Failure to use the proceeds as provided in this
250 section shall be grounds for revoking certification.

251 (10) This section is repealed June 30, 2008.

252 Section 3. This act shall take effect July 1, 2005.